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SUN-MAID RAISIN GROWERS STARTING A NEW YEAR

Arrangements have been completed whereby the Sunland Sales Cooperative Association, one of the subsidiaries of the Sun-Maid Raisin Growers of California, Fresno, Calif., becomes the sales agency of the California Peach and Fig Growers, Inc., also of Fresno. It is pointed out that the organization of the Sunland Association is such that it can handle additional business with but little extra expense. Attention is called to the possibilities of increased merchandising efficiency through the shipment of combined cars of the products of the two associations to points which could not order a separate car from each association.

The membership rolls of the Sun-Maid Raisin Growers of California were closed on August 15 to remain closed to "outsiders" at the discretion of the board of directors.

Detailed arrangements have been completed for receiving the 1925 raisin grape crop. Twenty-seven receiving stations are to be operated full time, 4 stations part time and at eleven stations fruit is to be loaded directly into cars for movement to full time stations. Seven stations operated last year have been discontinued.

Advances ranging from 1 cent per pound to 4-1/2 cents per pound will be made on fruit according to grade and kind, thirty grades in eight groups having been established. Mechanical grading machines of a type recently perfected are being installed at receiving stations.

At the last meeting of the board of directors a dividend of seven per cent was declared on the preferred stock of the Sun-Maid Raisin Growers' Association, the Delaware corporation for performing the processing operations. This dividend amounts to approximately \$330,000 and goes largely to fruit growers in the raisin producing sections.

A consolidated balance sheet of the Delaware corporation and its subsidiaries as of June 30, 1925, has been prepared by certified public accountants. This statement shows the total assets of the corporation to be \$8,588,459. Of this amount \$4,229,249 represented fixed assets after depreciation. The funded debt of the association was \$2,580,500 and preferred seven per cent cumulative capital stock outstanding amounted to \$4,694,402. The 50,000 shares of common stock which is held by the growers' association is without par value. The subsidiary companies of the Delaware corporation are: the Sunland Sales Cooperative Association; the Sun-Maid Raisin Growers, Ltd., London; and the Sunland Sales Association of Canada, Ltd.

TEXAS FIG GROWERS REPORT SUBSTANTIAL PROGRESS

Substantial progress in the development of the Texas Farm Bureau Fig Association, Albin, Texas, is reported. A subsidiary corporation known as the Fig Preserving and Storage Company with capital stock to the amount of \$5,000 has been set up and a new plant erected and completely equipped with new machinery for handling the perishable fruit.

About 130 farmers are members of the association, representing more than 14,000 acres of producing figs, with an annual output estimated at 2,000,000 pounds. The marketing contracts run for seven years beginning with 1924. However, the 1924 crop was not handled as the association was not ready in time to receive it.

The assets of the Fig Preserving and Storage Company include: real estate, \$2,500; plant equipment, \$40,000; supplies (sugar, etc.), \$10,000. In addition to the preserving plant the company will operate a bonded warehouse which will issue warehouse receipts on the preserved figs, which will be used by the marketing association in making payments to members. Sales will be handled through a Houston firm.

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WENATCHEE DISTRICT APPLE ASSOCIATION IS ACTIVE

A periodical to be issued monthly has been started by the Wenatchee District Cooperative Association, Wenatchee, Wash. The first issue appeared under date of July, 1925.

At the July meeting of the board of directors of the association it was voted to authorize an appropriation of two cents a box for advertising the 1925 apple output. The second cent is only to be used in case of an emergency and at the discretion of the general manager. A design for use in marketing extra fancy apples has been chosen.

In discussing the extra fancy proposition the management says, "If there is any money made for the producer in the apple business, it is made on the extra fancy grade. We believe that our efforts as producers should be concentrated on producing the greatest percentage of extra fancy apples, and in marketing, we believe, the greatest benefit will result by concentrating our sales effort on the extra fancy grade."

An orchard sign has been designed for the use of the members of the organization. It is made of sheet metal with a banded frame and in addition to the name of the grower, carries the wording, "Jim Hill Apples. Co-op grower."

Loss and damage claims against 1924 season shipment have been collected to the amount of \$37,998 by the traffic manager and it is announced that such amounts not already distributed to growers will be sent out soon.

The quantity of cherries handled by the association this year was four times as great as last season. In 1924 cherries were received from 18 growers while 97 growers delivered cherries in 1925.

Because of the erection of new cold storage plants in the valley the facilities for the orderly handling of the apples of the association have been increased.

MICHIGAN POTATO EXCHANGE COMPLETES SEVENTH YEAR

In seven years the Michigan Potato Growers' Exchange, Cadillac, Mich., has sold nearly 19,000 cars of potatoes for its affiliated local associations. This exchange was formed August 10, 1918 by 28 local potato shipping associations. It began active business on September 20 by selling a car of potatoes for the Elk Rapids Association. The number of cars of potatoes handled each season has varied from 2,118 to 3,250. In addition, the exchange has sold for its members, seed potatoes, apples, cabbage, carrots, hay, etc. It has also bought supplies in wholesale quantities.

The growth of the organization is indicated by the following table:

Season	Cars Potatoes Handled		Total Cars
	Number	Index	Handled
1918-19	2,118	100	2,277
1919-20	2,158	102	3,085
1920-21	3,250	153	3,622
1921-22	2,439	115	2,520
1922-23	2,922	138	-----
1923-24	3,122	147	-----
1924-25	2,867	135	2,962

During the 1924-25 season the exchange handled 2,867 cars of table stock potatoes, 80 cars of certified seed potatoes besides a few cars of other products and l.c.l. lots of seed potatoes equal to 11 car loads. Carlot sales were made to 413 buyers in 260 cities and towns in 17 states. Fewer potatoes were shipped to Pennsylvania points than is usually the case and more potatoes went to the states directly to the south of Michigan. Carlot shipments to points in the various states were as follows: Ohio, 1,144; Indiana, 333; Kentucky, 231; Pennsylvania, 217; Tennessee, 159; Virginia, 144; West Virginia, 142.

Of the table stock handled, 1,595 cars were sold as U. S. No. 1; 1,110 cars were sold under the association's brand of "Chief Petoskey;" and 162 cars were sold as fancy.

The best sale was made June 1, 1925, when a carlot of potatoes was sold for \$1.72 per one hundred pounds. The lowest of the daily pools was that for April 29, when the pool price was but 55 cents per cwt. Members of the exchange realized from 30 to 35 cents a bushel for table stock and from 65 cents to \$1.20 for seed potatoes.

Sixty thousand bushels were included in the sales of seed stock. Forty-one thousand bushels of russet rurals were sold at \$1.02 per bushel; 9,000 bushels of white rurals for 91 cents; 3,000 bushels of Green Mountains for 79 cents; 6,500 bushels of Irish cobblers for \$1.13 and 100 bushels of Early Chios for \$1.35. Over one-half of the certified seed was sold to potato growers in Ohio. Twenty car loads went to

Pennsylvania, nine car loads to Michigan points and lesser quantities to other states.

The exchange handles from 15 to 19 per cent of the Michigan carlot shipments of potatoes. The first and third years of its existence it handled 19 per cent, the second year it handled 18% the fourth year, 16%, the fifth and sixth years, 15% and the seventh year, 17%, as will be noted by the figures given below:

Season	: Shipments for State	: Shipments for Exchange	: Ratio Exchange Shipments to Total Shipments
	: Cars	: Cars	: Per cent
1918-19	: 11,062	: 2,118	: 19
1919-20	: 12,237	: 2,153	: 18
1920-21	: 17,119	: 3,250	: 19
1921-22	: 15,222	: 2,439	: 16
1922-23	: 19,836	: 2,922	: 15
1923-24	: 20,405	: 3,122	: 15
1924-25	: 17,283	: 2,867	: 17

Purchases by the exchange for its members included 791,435 sacks, 421,000 tags, 4,164 pounds of twine, 20,553 pounds of spraying material, also 70 barrels of blue vitriol, 16 spraying machines, 9 potato graders, and 4 scales.

As a result of the membership campaign conducted during the year, 7,800 growers are under a five-year marketing contract. These growers represent 33,000 acres of potatoes and, it is estimated, will furnish for shipment, from 4,000 to 5,000 cars of potatoes annually.

The contracts which have been signed provide for pooling by local associations at the discretion of the members of each local. During the past year several of the locals have tried season pools. It is stated that a large number of locals have voted to conduct pools extending over portions of the coming marketing season.

One of the largest of the local associations has decided to operate a season pool for the crop of late potatoes. This pool will continue from November 1 to June 15. Early potatoes will be sold in carlot pools to October 1 and then in weekly pools to November 1.

The first car of potatoes of the 1925 crop to be shipped through the exchange was loaded by one of the locals early in August. By the middle of the month over 60 carlots had been sent to market. This is an unusual record but one pleasing to the exchange management as the early market is often a very satisfactory one.

BIG DELIVERY FOR SOUTH DAKOTA WHEAT POOL

Over 65,000 bushels of wheat had been received into the 1925-26 winter pool by the South Dakota Wheat Growers' Association, Aberdeen, on August 15. This was a gain of about 61,000 bushels over that for the same date a year ago.

On Friday, August 14, nearly 15,000 bushels were delivered to the pool, and it is expected that deliveries will amount to as high as forty and fifty thousand bushels a day during the season of heavy delivery.

The management is urging members to report by post card the approximate amount of grain they will deliver in order that preparations can be made for storage and marketing. These post cards were sent to members by the management and contain the necessary information to be checked.

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ILLINOIS AND IOWA GRAIN ELEVATORS COOPERATING

The National Farmers' Elevator Grain Company, Cooperative, Chicago, has been formed under the cooperative laws of the state of Illinois by representatives of producer-controlled elevators for the purpose of marketing cooperatively grain for farmers' elevators. Capital stock to the amount of \$250,000 is authorized. Already ninety odd elevators in Illinois and Iowa have subscribed for stock and it is expected that other elevators will immediately join the new enterprise. It is the plan that both capital and volume of business shall be obtained before the new company begins to operate.

It will be the function of the national company to provide marketing facilities upon the various grain markets. The first step in this direction has been taken by the creation of the Rural Grain Company, an Illinois non-cooperative corporation, to operate upon the Chicago grain market. This corporation is authorized to issue capital stock to the amount of \$100,000, all of which stock is to be held by the National Company. On September 1 the president of the Rural Grain Company was admitted to membership in the Chicago Board of Trade, thus giving the company a seat upon the board.

As the National Farmers' Elevator Grain Company, Cooperative, will be the sole owner of the Rural Grain Company, all profits made by the latter will go to the cooperative company and will be distributed to member elevators upon a patronage basis. The plans also contemplate the handling of grain at other markets than Chicago as the demand arises.

SASKATCHEWAN ELEVATOR COMPANY ISSUES COMPREHENSIVE REPORT

One of the outstanding farmer-owned and farmer-controlled business enterprises in America is the Saskatchewan Cooperative Elevator Company, Ltd., Regina, Canada. In order that the agricultural editors of the United States who are visiting Canada may have definite information regarding the organization, a large and handsomely illustrated booklet has been issued in which the development, the present status and the many activities of the company are set forth in detail.

The company gets its legal existence from a special act of the Saskatchewan legislature, passed March 14, 1911. This act provides for membership through the purchase of shares of stock, local units for the purpose of furnishing democratic control, and country elevators which are entirely under the control of the board of directors of the company. Shares of stock have a par value of \$50 and are paid for on the installment plan. Country elevators are erected at points around which enough stock subscriptions are received to justify the undertaking. Eighty-five per cent of the cost of each elevator is advanced to the company by the provincial government. Loans from the government are repaid out of the earnings of the company in twenty equal installments.

Following the passage of the special act in 1911, 25 local associations were formed in six weeks. Delegates from the locals met on July 6 and formally organized the company. Nine directors were selected and a marketing program formulated. Forty elevators were built and six purchased the first year and the company handled 3,262,426 bushels of the 1911 grain crop. At the close of the first year the company had 8,962 stockholders.

The gains made by the company up to the close of business on July 31, 1924, are shown by the figures in the tables following:

Season	Shareholders		Grain Handled					
	Number	Index	Country Elevators		Commission Dept.		Index	
			Bushels	Index	Bushels	Index		
					Thousands			
1911-12	8,962	68	3,262	25	-----			---
1912-13	13,156	100	12,899	100	12,205		100	
1913-14	14,922	113	19,677	153	19,449		159	
1914-15	15,922	121	13,765	107	13,643		112	
1915-16	18,077	137	39,089	303	39,674		325	
1916-17	19,317	147	32,360	251	33,519		275	
1917-18	20,683	157	25,994	202	26,554		218	
1918-19	21,032	160	20,812	161	21,034		172	
1919-20	21,143	161	19,512	151	18,973		155	
1920-21	21,535	164	26,196	203	27,125		222	
1921-22	23,014	175	34,770	270	36,519		299	
1922-23	23,228	177	40,773	316	42,057		345	
1923-24	28,000	213	48,502	376	50,051		410	

Fiscal Year ending July 31	Share Capital Paid up		Land, Buildings, Equipment		Reserves		Government Loans and Accrued Interest		Net Profits	
	Amount	Index	Value	Index	Amount	Index	Amount	Index	Amount	Index
1912	\$176,580	78	\$479,702	37	---	---	\$393,694	33	\$52,461	33
1913	227,152	100	1,290,223	100	\$51,726	100	1,205,843	100	157,926	100
1914	322,461	153	1,684,090	131	116,290	225	1,445,031	119	205,181	119
1915	503,116	221	1,866,099	145	286,834	555	1,559,808	130	133,745	130
1916	627,342	276	2,045,621	159	322,973	624	1,639,257	136	551,795	136
1917	938,932	413	3,032,456	235	612,436	1194	1,754,103	149	350,752	149
1918	1,104,550	486	4,172,765	323	979,831	1864	1,771,442	144	134,511	144
1919	1,122,312	494	4,728,793	367	1,069,591	2068	2,170,960	181	193,599	181
1920	1,132,737	492	5,157,398	400	1,233,119	2383	3,150,684	261	214,538	261
1921	1,403,136	620	5,160,271	400	1,190,622	2302	3,256,164	270	279,413	270
1922	1,451,305	639	5,202,067	403	1,434,359	2773	3,305,228	274	403,056	274
1923	1,719,952	757	5,431,981	421	1,624,094	3240	3,345,355	278	442,212	278
1924	1,956,930	862	6,248,703	484	2,284,463	4416	2,570,553	213	475,534	213

It will be noted that the company finished the thirteenth year period with 28,000 stockholders and 440 country elevators, and that grain to the amount of fifty million bushels was handled the last year. It is estimated that the company handles about 20 per cent of the grain crop of the province.

The growth of the enterprise as expressed in dollars is given in the table at the side. That the figures in the different columns may be easily compared, index numbers have been computed, using the year ending with July 31, 1913 as 100. As the preceding year, the first in the life of the company, had been taken up to a considerable extent with organization problems, it is believed that the 1912-13 season is the most satisfactory for use as a base for comparative purposes. Furthermore the calendar year 1913 is used as a basis in certain price-level studies.

One of the significant facts brought out by these figures is the increase in value of land, buildings and equipment and the decrease in amounts due the provincial government.

The net profits shown in the last column have been used to pay dividends not exceeding 10 per cent on capital stock and have been used to build up the reserves.

In the beginning, the company confined its activities to the operation of country elevators.

During 1911, 46 country elevators were operated. The following year, however, 93 elevators were added to the system, which is the largest number added in any one year. In 1913, 53 elevators were added, and in 1924, 54 elevators. The fewest number of elevators added in any year was one

in 1919. Since that year the number has increased year by year except in 1922, as will be seen by the following table:

Year	Number of Elevators	
	Added	Total
1911	46	46
1912	93	139
1913	53	192
1914	24	216
1915	14	230
1916	30	260
1917	41	301
1918	13	314
1919	1	315
1920	9	324
1921	15	339
1922	15	354
1923	32	386
1924	54	440

As early as 1912 it was found desirable for the company to establish its own commission department. Later, terminal elevators were acquired and an export department established. To-day the company owns a terminal elevator with a capacity of 7,775,000 bushels of grain at Port Arthur on Lake Superior. It rents a second elevator of 7,500,000 bushels capacity. It is erecting a transfer elevator at Buffalo on Lake Erie, the capacity of which is 1,100,000 bushels. The company has provided itself with the most modern appliances for cleaning, drying and conditioning grain. It owns its office building in Winnipeg and maintains export offices in Winnipeg, Vancouver, New York City and London, England. The following figures show the development of the association's terminal elevator business:

Season	Grain Handled	
	Bushels	Index
	(Thousands):	
1917-18	3,998	100
1918-19	11,531	288
1919-20	16,174	405
1920-21	21,277	532
1921-22	28,389	710
1922-23	34,703	868
1923-24	58,467	1462

In order to keep its shareholders and patrons informed, the company issues a monthly paper, The Saskatchewan Cooperative News. In addition, complete financial statements are distributed among those using the services of the company.

The use of the services of the elevator company is purely a voluntary matter on the part of the grain growers, the company at all times depending upon the excellence of its services for patronage.

PRESIDENT OF MANITOBA WHEAT POOL REPORTS

Over 240 delegates attended the annual meeting of the Manitoba Cooperative Wheat Producers, Ltd., held at Brandon, Man., July 30 and 31, 1925. It was reported by the president in his annual address that the membership during the preceding year had increased from 7,586 to 13,014. A total of 18,495 contracts are held by the company. The pool had handled during the year, 3,444,000 bushels of wheat which was approximately 21 per cent of the total wheat marketed in the province.

In conformity with the policy adopted by the board of directors, the Manitoba Pool Elevators, Ltd., had been brought into existence. It had been decided that the full amount of the deductions permitted by the marketing contract be made, that adequate commercial reserves might be built up and that money be available for acquiring elevators. Further information regarding the activities of the past year will be found in Agricultural Cooperation for August 31, page 359.

Announcement has been made that the advances on wheat of the 1925 crop shall range from 47 cents a bushel for low grade wheat to \$1 for No. 1, Northern. The amounts of the advances are listed for 21 kinds and grades of wheat. The advances on coarse grains range from 21 cents a bushel for tough rejected oats to \$1.50 for No. 1 flax. The other coarse grains handled are barley and rye.

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ALBERTA WHEAT POOL COMPLETES SECOND YEAR

The Alberta Cooperative Wheat Producers, Ltd., has completed its second year of marketing wheat cooperatively. The third annual meeting of the membership of the company was held at Calgary, August 5 and 6. It was reported at the meeting that the growers had received \$1.55 a bushel for No. 1 Northern Wheat, basis Vancouver, and that the final distribution was yet to be made. By a unanimous vote the meeting adopted a resolution directing that 2 cents a bushel for an elevator reserve and one half of 1% of sales for a commercial reserve, be deducted from the returns for 1924 wheat. Announcement was made that the total cost of administration for the first season (1923-24) had been less than two-fifths of a cent a bushel.

It was urged by the delegates attending the meeting that elevators be erected along railroad lines wherever the number of members belonging to the company would justify. The following resolution regarding breaches of contracts was passed: "The loyalty of our members is absolutely essential to the success of the pool, and while steps may quite properly be taken to enforce the penalty in the case of deliberate breach of the agreement, we feel in a general way that it is a matter for education rather than compulsion."

The company now has 31,454 members. The total membership for the wheat marketing associations in the three prairie provinces, Manitoba, Saskatchewan and Alberta, is now in excess of 100,000. About 15,000,000 acres of wheat are under contract to the three organizations.

WISCONSIN TOBACCO GROWERS RENEWING MARKETING CONTRACT

At the annual meeting of the Northern Wisconsin Cooperative Tobacco Pool held at Madison, Wis., August 11, a campaign was started for the signing up of a renewal marketing contract for a second five-year period, covering the years 1927, 1928, 1929, 1930 and 1931. The new agreement submitted and approved at the meeting calls for a minimum quantity of tobacco under contract of 20,000,000 pounds before the contract becomes effective.

It is proposed by the board of directors to give every tobacco grower in the state an opportunity to join the organization by signing its marketing contract. The membership fee is \$5.

The reason for the sign-up for a second five years, two years before the close of the period covered by the first agreement, is that tobacco buyers have been showing an indication of postponing the buying of tobacco, evidently with the thought that they might be able to purchase on much better terms if there was a question as to whether the association was to be continued. That there might be no likelihood of the association ceasing to function, its members are pledging their tobacco to the organization until 1932.

A large number of association members have volunteered their services for the sign-up campaign. It is stated by the management of the association that solicitors are not being paid for their work but are working because of the benefits that they will derive along with other tobacco growers.

Figures are published in the August issue of the Tobacco Pool Bulletin showing a reduction of over \$30,000 in three years in operating expenses of the association. This reduction was brought about largely by the adoption of more efficient methods for handling the business of the organization. The total expenses were made up of administrative and leaf department expenses as follows:

Year	: Administrative Expense/a	: Leaf Department Expense/b	: Total Expenses
1922	: \$70,611.20	: \$73,433.46	: \$144,044.66
1923	: 63,788.79	: 74,941.33	: 138,730.12
1924	: 58,303.64	: 51,421.03	: 109,724.67

/a Including salaries, wages, travel, office supplies, postage, telephone, telegraph, rent, light, insurance, interest, advertising, publicity, legal services, per diem and expenses of directors, etc.

/b Including salaries, wages, labor, express, freight, drayage, rent, insurance, taxes, depreciation.

CONNECTICUT TOBACCO ASSOCIATION COMPLETES THIRD YEAR

In his annual report for the year ending July 1, 1925, the president of the Connecticut Valley Tobacco Association, Hartford, Conn., stated that during the three years the association has been operating it has paid its members over \$17,000,000 for tobacco. In addition, the members' equity in the tobacco now on hand amounts to \$7,823,991. Gross sales and amounts paid members for the several years are given as follows:

Year Ending :	Gross Sales :	Paid Members
July 1 :	:	:
1923 :	----- :	\$3,297,437
1924 :	\$6,191,848 :	6,891,316
1925 :	9,623,719 :	6,878,468

At the beginning of the 1924-25 year the membership of the association was 3,660 and at the close of the year, 4,110, a gain of 450. Furthermore, those who were members at the close of the year were under contract to deliver to the association all tobacco that they might grow during the coming seven years.

Considerable of a reduction in the cost of warehousing operations was brought about during the year. The decrease in disbursements to warehousemen for assorting and handling the 1924 crop amounted to \$963,287, as compared with the preceding year. Part of the decrease was due to a smaller quantity of tobacco handled. However, the decrease would have been over \$600,000 even though as much tobacco had been handled last year as the year before.

Insurance rates on tobacco in warehouses were reduced by 20 cents per \$100 coverage on the average. This was accomplished largely by installing fire fighting equipment.

Arrangements have been made for carrying fire insurance on members' tobacco from the time it is harvested until delivered at the warehouse of the association. A coverage of \$400 per acre is provided for four months at a cost of about \$1.

Owing to the small amount of damage by hail this season it is the hope of the management of the mutual hail insurance company to carry over \$200,000 to surplus. Losses up to July had totaled only about \$70,000.

Commencing with the 1925-26 business year the accounting department is to make monthly reports in detail regarding the financial transactions of the association. Expenses are to be grouped under eight headings.

Considerable attention was given by the president to the

subject of sales and selling policy. He said in part:

The consumption of cigars during the last seven years has remained stationary or fallen off During the period and especially during the last two or three years, there has been an increased consumption of nickel cigars, a very great decrease in the consumption of two-for-fifteen-cent cigars, while the ten and fifteen-cent cigars have remained about stationary.....

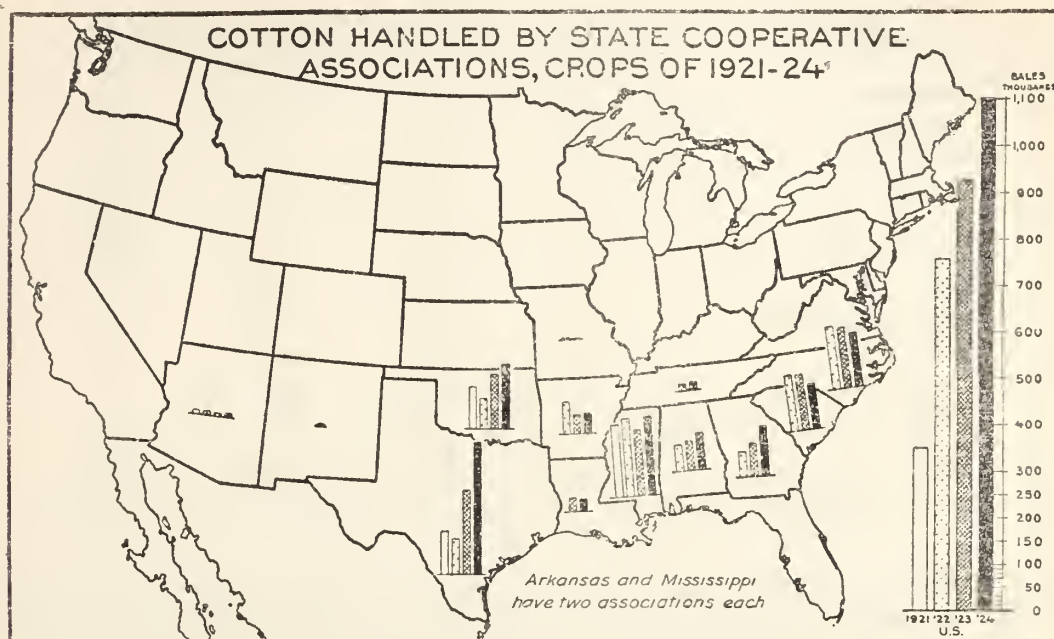
We all of us know that there is nothing magical in the organization of a cooperative association. Our organization's main object is to arrange our affairs in such a manner that a transitory surplus shall not be allowed to disorganize the market, and we expect at all times to have reasonable carry-overs of the tobacco from year to year, but on the other hand, we should realize that if we produce tobacco in larger quantities while the production of cigars remains stationary or decreases, that eventually there will be an over-supply of our tobacco.....

A very careful study is being made at the present time by your officers of the needs of the manufacturing trade of the United States, both as to grades used and as to amounts needed, and we expect to be able by early winter to advise you in a convincing way as to your proper course in connection with the 1926 crop I do not hesitate at this time to say that I believe a very considerable acreage reduction will be necessary in 1926...

I believe the most outstanding event of the past twelve months has taken place unconsciously within our ranks in the increased understanding on the part of everyone of us as to what it means to be members of a cooperative association. Every business is dependent upon the attitude of its stockholders for its success or failure. The cooperative association is much more dependent than an ordinary stock company. Your association at the present time has on hand a great quantity of merchandise in which you all have an interest. The success or failure of the association in the handling and disposing of those goods depends very largely on the attitude presented by you and in the amount of cooperation which is received from you. I feel that you should be kept informed at all times of every possible detail of the business of your organization, except those, which for trade reasons, it is inadvisable to make public....

The third annual field day of the association was held July 16. Approximately 5,000 persons were present including members and their families. Addresses were made by officers of the association.

FOUR YEARS OF COOPERATIVE COTTON MARKETING



Measured in number of bales of cotton handled, big gains have been made by the regional cotton marketing associations during the four years that they have been operating. Four associations functioning in 1921-22 marketed 351,839 bales, 9 associations in 1922-23 marketed 753,964 bales; 14 associations in 1923-24 handled 928,616 bales and 15 associations in 1924-25, 1,096,340 bales. This is a gain of 744,000 bales or 211 per cent in four years.

The largest gains as regards number of bales handled by farmers' associations were made by the organizations in Texas, Oklahoma, Georgia and Alabama. The states in which the associations appear to have lost ground are Arkansas, Louisiana, Missouri, North Carolina and South Carolina.

In four of the states there are associations which have handled the crops of the past four years. In two of the states, Arizona and Mississippi, a fewer number of bales were handled the fourth year than the first and in two of the states, Oklahoma and Texas, a much larger number of bales was handled the fourth year than the first. The gain for the four-year period was 50,000 bales for Oklahoma and 190,000 bales for Texas.

The percentages indicating the portion of the total crop in each

state handled by the associations are given in the following table:

State	: 1921-22	: 1922-23	: 1923-24	: 1924-25
	: Per cent	: Per cent	: Per cent	: Per cent
Alabama	: .0	: 7.0	: 11.1	: 8.0
Arizona	: 23.7	: 21.8	: 10.2	: 9.7
Arkansas	: .7	: 6.2	: 6.6	: 4.0
Georgia	: .0	: 7.5	: 12.0	: 10.6
Louisiana	: .0	: .0	: 8.1	: 5.5
Mississippi	: 19.2	: 17.0	: 23.4	: 15.6
Missouri	: .0	: .0	: 3.1	: 1.4
North Carolina	: .0	: 16.0	: 12.8	: 15.2
Oklahoma	: 19.0	: 10.5	: 18.1	: 9.8
South Carolina	: .0	: 24.8	: 15.7	: 13.2
Tennessee	: .0	: .0	: 6.7	: 5.5
Texas	: 4.3	: 2.4	: 4.2	: 5.7
United States	: 4.5	: 7.2	: 9.2	: 8.3

During the four years that the regional associations have been active the number of bales of cotton ginned, as reported by the bureau of the census, increased from 7,954,000 to 13,153,000 or 65 per cent. The percentage of the total bales ginned each year which was handled by the cotton associations is as follows:

Season	: Total Bales Ginned in	: Bales Handled by	: Bales Handled by
	: United States	: Associations	: Associations
1921-22	: 7,954,000	: a/ 357,491	: 4.5
1922-23	: 9,762,000	: 753,964	: 7.2
1923-24	: 10,140,000	: 928,616	: 9.2
1924-25	: 13,153,000	: 1,096,232	: 8.3

a/ Including 5,652 bales handled by the Arkansas association in 1922-23.

The states in which the associations handled a larger per cent of the 1924 state crop than of the crop for the year in which they began operating are Alabama, Georgia, and Texas. In Arizona, Arkansas, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina and Tennessee the associations had a larger per cent of the state crop during their first year of activity than during the season of 1924-25.

CALIFORNIA TERMINAL SALES AGENCY IS EXPANDING

A San Francisco branch is being opened by the Challenge Cream and Butter Association, Los Angeles, Calif. This association is sales agent for eleven cooperative creameries. It has been operating in Los Angeles and San Diego for a number of years and last year its sales amounted to over \$9,000,000. The principal products handled were butter, cream, whole milk, buttermilk, condensed milk, cheese and eggs. With a San Francisco outlet it is believed that a much larger quantity of dairy products will be handled. It is expected that cooperative creameries which heretofore have been selling through local dealers will use the Challenge Association for handling their products on the San Francisco market.

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NEW TWIN CITY PLANT REPLACES RENTED PLANT

A communication from the manager of the Twin City Milk Producers' Association, St. Paul, Minn., states that the item appearing in the issue of this circular dated August 3, page 314, entitled, "Twin City Producers Planning a Campaign of Expansion," is likely to give an erroneous impression. The new plant to be erected is to take the place of a small rented plant in Minneapolis which was built to handle 20,000 pounds of milk daily and some days has been obliged to handle 100,000 pounds. The new plant will be designed to handle the larger quantity and will be equipped for condensing as well as handling whole milk and sweet cream. It will be the fifteenth plant owned by the company but not so large as some of the others. The cost will be about \$60,000. While members are constantly being urged to keep up their stock subscriptions, no special campaign is being conducted and the association is in excellent financial condition.

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OVER TWO HUNDRED TONS MINNESOTA BUTTER TO GO TO PERU

An order from Lima, Peru, for 500,000 pounds of Land O' Lakes butter has been received by the Minnesota Cooperative Creameries Association, St. Paul, Minn. In this connection it is stated that when the first shipment of Land O' Lakes butter reached Peru recently the government of that country, which maintains an inspection service on imports of butter, made a careful inspection for the purpose of determining how much dependence could be placed on the U. S. inspection certificate enclosed in each package. The results were so satisfactory that now all butter arriving with United States inspection certificates is received without reinspection.

At the present time Land O' Lakes butter is being shipped to Haiti, the Dominican republic, British West Indies, Mexico, Panama, Venezuela, Columbia, Peru, China, Japan and the Philippines.

Round tin cans holding five pounds, one pound, and one-half pound are used in exporting butter. These cans carry a label with a blue background and red letters. A statement concerning the certificates of quality is printed in both English and Spanish on the cans.

MINNESOTA CREAMERY ACTIVE TWENTY YEARS

Financial statements covering 18 of the 20 years that the Watertown Creamery Company, Watertown, Minn., has been functioning have been made available to the United States Department of Agriculture and photostat copies prepared for the department's library of source material dealing with the subject of agricultural cooperation. This farmers' business enterprise was organized in 1905 as the Watertown Cooperative Creamery Association. In 1919 it was reorganized as the Watertown Creamery Company. During the 18 years from 1907 through 1924 over five million pounds of butter was made which was sold for over \$2,212,000. The producers received over \$2,040,000 or 92 per cent of the f.o.b. selling price.

The volume of business of this enterprise as measured by pounds of butter made increased 142 per cent in the 18-year period, as will be noted by the following table:

Year	: Butter Made	:	Sales of	:	Paid	:	Per cent
	:	:	Dairy	:	Patrons	:	Paid
	: Pounds	: Index	: Products	:		:	Patrons
1907	: 212,974:	100	:: \$57,216:		\$51,179:		89.4
1908	: 223,614:	105	:: 59,599:		50,715:		85.1
1909	: 223,605:	105	:: 64,915:		58,573:		90.2
1910	: 208,993:	98	:: 65,307:		59,549:		91.2
1911	: 229,265:	108	:: 62,768:		56,188:		89.5
1912	: 263,593:	124	:: 80,854:		74,023:		91.6
1913	: 292,312:	137	:: 91,699:		84,236:		91.9
1914	: 271,160:	127	:: 79,710:		72,415:		90.8
1915	: 271,968:	128	:: 78,554:		71,822:		91.4
1916	: 267,955:	126	:: 89,589:		83,088:		92.7
1917	: 275,634:	129	:: 116,919:		109,654:		93.8
1918	: 302,032:	142	:: 155,950:		144,436:		92.6
1919	: 344,401:	162	:: 204,713:		192,380:		94.0
1920	: 343,019:	161	:: 208,615:		196,516:		94.2
1921	: 409,497:	192	:: 170,816:		158,999:		93.1
1922	: 463,494:	218	:: 179,263:		168,573:		94.0
1923	: 493,196:	232	:: 227,940:		210,719:		92.4
1924	: 514,627:	242	:: 217,921:		197,610:		90.7

The percentage of the selling price received by the producers varied from 85.1 per cent in 1908 to 94.2 per cent in 1920.

For 15 of the 18 years, figures indicating the average price received for butter, average price paid producers for butterfat and average cost per pound for manufacturing butter have been tabulated. These figures show that the average price received for butter varied from 27.35 cents in 1911 to 60.45 cents in 1920. The average cost per pound of making butter ranged from 1.72 cents in 1911 to 2.71 cents in 1918.

At the close of 1924 the company had buildings and equipment valued at \$36,758 and had over \$19,000 in surplus. Its patrons number approximately 240.

AGRICULTURAL UNIONS BEING ESTABLISHED IN INDIA

Many cotton unions have been started by the agricultural department in the Madras Presidency, India, according to a recent report from the Madras Provincial Cooperative Union, Ltd., Royapettah, Madras. These unions are concerned with the collective sale of cotton seed grown by individual members but ginned cooperatively. The purpose of the unions is to increase the quantity of good seed available for producers in the hope that better strains of cotton may be grown. Some of these unions have been successful in introducing farm implements for the common use of members. When not wanted by the members, the implements are hired to outsiders.

An effort is being made to establish cooperative cattle insurance societies. Some headway has been made in Coorg and Burmah. In Burmah only plough cattle between 4 and 12 years of age are accepted for insurance and a premium of 5% is charged on the value of the animals.

Cooperative societies are being encouraged in the Presidency for the cooperative purchase of supplies and the solving of the problems of a needed increased milk supply.

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COOPERATION IN SWEDISH AGRICULTURE

Cooperative enterprises in Sweden have in recent years gained in importance, according to a report of the departmental head at the Central Bureau of Statistics, Stockholm. Of the 1,504 dairies which existed in this country in 1922, more than one-third (612) of them were cooperative enterprises. These cooperative dairies were more important than the others, as is shown by the fact that they handled two-thirds of all the milk delivered to dairies in that year.

Cow testing associations which have existed since the latter part of the nineteenth century, constitute a successful means for improving the grade of cattle. Their object is to determine the milk yield of the cows and supervise the feeding system in order to produce the best possible results. Experts visit each farm every two or three weeks and weigh the milk given by each cow, note the percentage of fat and the quantity and nature of feed. The first association of this type was founded in 1898 on the model of the Danish organizations. In 1911 they had increased to 751 associations with 10,930 farmers possessing 218,800 cows. During the war the number of the organizations decreased about one half and the ground lost has not yet been entirely regained.

Cooperative slaughter houses have contributed largely to the development and exportation of Swedish bacon. In 1922 there were about 30 cooperative slaughter houses with at least 50,000 members.

Beginning with the present century, farmers began grouping themselves into purchasing associations. These united in forming district organizations which in turn united to form a national cooperative union of agricultural societies (Svenska lantmannens riksförbund). At the end of 1922 there were about 1,400 local purchasing societies with more than 80,000 members.

THIRD TRAINING SCHOOL FOR COOPERATORS ANNOUNCED

Announcement is made of the third training school under the auspices of the Northern States' Cooperative League, Minneapolis, Minn., a league of associations interested primarily in consumer cooperation. The first training school was held in the fall of 1923. It extended over five weeks and had an enrollment of 22. The second school was held in the fall of 1924 and continued for six weeks, while the third school is scheduled to open October 5 and continue for eight weeks.

The first two weeks of the coming session will be in the nature of a preparatory course. Students who are not prepared for the courses outlined for the regular session are expected to attend the preparatory school or take the three correspondence courses being given. During the 40 class periods of the regular session, instruction will be given in the following subjects: History of Cooperation; Theory and Methods of Cooperation; History and Development of Commerce and Industrial Organizations; Principles of Cooperative Management; Organization and Administration of Cooperative Associations; and Management of Cooperative Stores including bookkeeping adapted to cooperative stores.

Ten scholarships in the school have been offered by the Franklin Cooperative Creamery Association of Minneapolis. Five of the scholarships will be for employees of the association and will amount to about \$100 each and five amounting to \$50 each will be for stockholders or regular patrons of the association.

The five persons to receive the \$100 scholarships are to be selected from 25 or 30 employees recommended by the manager. The selection will be by means of a series of intelligence and general information tests conducted for the purpose of ascertaining the present degree of knowledge possessed by each employee and also which of them are most capable of quick development along cooperative lines.

In addition to the above mentioned scholarships the Northern States' Cooperative League is offering five scholarships of \$20 each. It is expected that some of the cooperative organizations in Northern League territory will offer scholarships which are sufficiently generous to enable some of their employees, directors or stockholders to attend the school.

The Northern States' Cooperative League held its fourth annual convention in June at which time an enlarged program was adopted. This program includes in addition to the cooperative school and the correspondence courses in cooperation, the publication of a bi-monthly paper, the first issue of which appeared in August under the title, Northern States' Cooperator.

During the past year the League fostered the holding of a conference in Minnesota of those interested in cooperative stores. Twenty-seven delegates representing 14 consumer organizations attended the conference.

Attention was given to the question of organizing a cooperative wholesale association. A temporary organization was formed.

COLORADO SUPREME COURT DISCUSSES COOPERATIVE CONTRACT

On June 22, 1925, the Supreme Court of Colorado decided the case of J. G. Atkinson, et al., against the Colorado Wheat Growers' Association. The association is a cooperative one without capital stock, organized for the purpose of marketing the grain of its members, and it had entered into contracts with them which, among other things, provided that the association might recover from any member 25 cents per bushel as liquidated damages for all grain he might dispose of outside of the association.

Certain members of the association became dissatisfied with the management and with their contracts and brought suit for their cancellation. One of the grounds upon which they sought to have the contracts cancelled was that they were void because of restraint in competition.

In the lower court the association demurred to the complaint of the plaintiffs thus saying that the members did not set forth a valid cause of action in their complaint. The trial court sustained the demurrer, thus holding that the members did not have a good cause of action. The members then appealed their case to the Supreme Court of the State and that court reversed the lower court and held that the contracts were void on the ground that they were in restraint of competition. The following quotation is taken from the opinion in the case:

That such contracts are against public policy and void is held by the great weight of authority and, until recently, almost universally. This state has so held. *Burns v. Wray Co.* 65 Colo., 425; *Campbell v. People*, 72 Colo., 213; *Johnson v. People*, 72 Colo., 218. The part of the contract in *Burns v. Wray Co.*, supra, which seems to us most important was the discrimination of one cent per bushel in favor of the Wray Co. against all other purchasers. The present contract makes a similar discrimination of 25 cents. The purpose of such a provision must be determined by its natural and obvious effect, *Campbell v. People*, supra p. 216, which is to permit the present company to control the price of wheat, a necessity of life. It is claimed that the Wray Company was organized for profit and the present company not, and that this constituted an essential difference, but it is clear from the by-laws and the contracts that although it has no capital stock and can declare no dividends, yet the company shares its profits among its members and the profit of its members is the principal if not the sole purpose of its operations. It is said contracts in restraint of competition are not unlawful unless unreasonable or harmful to the public, and it is claimed that the present contracts are not harmful but beneficial, but we cannot see that they are less harmful or more beneficent in their tendency than was that in *Burns v. Wray Company*. If control of the wheat market is

beneficent then the present contract is more so than the other, but if harmful it is more harmful. But we have held in the above cited cases that it was harmful as a matter of law. The claim of reasonableness, therefore, cannot control us. All these contracts antedated the Act. of 1923, Ch. 124, which authorizes such agreements. It cannot be said, then, that such a contract as the present was lawful when made. The Act of 1923 not only in terms makes such contracts lawful but purports to legalize all previous contracts of that sort; that portion of it, however, is retrospective and retroactive and cannot be sustained. Any party who chose could repudiate the contract he did not make.

As indicated in the opinion, in 1923 the legislature of Colorado passed a cooperative marketing act similar to the one which has been enacted in many states, which specifically authorizes contracts like those involved in this case. It will be observed that the contracts in question were entered into prior to 1923 and the court held that the language of that statute, which apparently attempted to legalize contracts of the kind involved which had been entered into prior to that law, was unconstitutional because of a provision in the constitution of that state which forbade retrospective laws.

L. S. Hulbert.

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IMPORTANT RULING BY WASHINGTON COURT

The Supreme Court of Washington recently decided the case of Nichols v. Olympia Veneer Co., 236 Pacific 794. This manufacturing concern was organized and operated on cooperative lines. A majority of the employees were stockholders and each of them entered into a contract with the company that the same wages should be paid to each of them. No person was allowed to own over one share of stock, and the contract entered into with each shareholder stated that he would receive "one prorata share of all profits received from the manufacture and sale of wood products." The company at the end of the year 1923 after ascertaining the approximate amount of money which it had made, declared that each stockholder employee should receive certain sums in addition to the wages paid him, which additional sums totaled \$450 for each stockholder employee. The widow of a former stockholder employee who then held a share of stock upon which she desired dividends, brought suit, claiming she was entitled to receive \$450, as a dividend. The court while denying her claim for reasons that are of no consequence here, held that the so-called additional compensation was simply a distribution of dividends.

L. S. Hulbert

KANSAS COURT AGAIN SUSTAINS WHEAT GROWERS

On June 6, 1925, the Supreme Court of Kansas decided the case of the Kansas Wheat Growers' Association v. Charlet, 236 Pacific 657. In this case the association brought suit to recover stipulated damages for violation of the marketing agreement entered into with it by the defendant and for an injunction to restrain the further sale and delivery of wheat by the defendant contrary to the agreement. The association prevailed in the trial court and the defendant appealed.

The Supreme Court affirmed the judgment of the lower court and the following quotations from the opinion show the basis thereof:

Defendant contends the marketing agreement is contrary to public policy, illegal, and void because designed to create monopoly and to restrain trade. The marketing agreement is a proper means of achieving the purposes of the association; the purposes of the association are those recognized by the statute under which it was organized, and the attack on the agreement is really an attack on the statute. In the case of Wheat Growers' Association v. Schulte, 113 Kan. 672, 216 p. 311, the court held the statute to be valid, and held the association is not an unreasonable combination in restraint of trade, or an organization for fostering unlawful monopoly.

Defendant contends the evidence shows the association is an unlawful combination to restrain trade and create monopoly. The evidence consists of the association's by-laws, the marketing agreement, a statement by a man who was soliciting members that they would keep wheat off the market and raise the price, and the fact that at the time of the trial the association had in contemplation a working agreement with a similar Kansas organization. Defendant makes a statement in his brief to the effect that the contemplated arrangement has been effected. What it is he fails to disclose, except to characterize it as an 'interlocking agreement.' Plaintiff meets the statement by flat denial of its truth, and the court is not inclined to wreck the association because of a membership solicitor's interpretation of its purposes.

Defendant contends the Cooperative Marketing Act contravenes the Constitution of the United States because it permits a monopoly which would otherwise be condemned by the Anti-Trust statute, and so creates an exception to the Anti-Trust statute, for the benefit of a favored class. The case of Connolly v. Union Sewer Pipe Co., 184 U.S. 540, 22 S. Ct. 431, 46 L. Ed. 679, is cited. One flaw in the contention consists in the fact that the Cooperative Marketing Act does not create monopoly of the kind denounced by the Anti-Trust Act. Wheat Growers' Association v. Schulte, 113 Kan. 672, 216 p. 311.

L. S. Hulbert.

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Copies of summaries of cases and decisions on legal phases of cooperation, No. 1 and No. 2, are available for distribution.